

Arizona Sports & Tourism Authority

MINUTES FOR PUBLIC MEETING OF THE
ARIZONA SPORTS AND TOURISM AUTHORITY
FINANCE COMMITTEE MEETING
Wednesday, February 19, 2014
12:00 PM
Arizona Sports & Tourism Authority
1 Cardinals Drive, Glendale, Arizona 85305

Attendance

Committee Members

Mike Galloway – Committee Chair
Dave Eberhart
Sherry Henry
Maria Baier

Staff

Tom Sadler, CEO
Kevin Daniels, CFO
Robin Lea-Amos, Office Manager

Authority General Counsel

Sarah Strunk, Fennemore Craig

Board Chair

Verma Pastor

Board Members

Jeff Meyer
Tom Rawles
Jody Harwood
Jeff Overton

Guests

Peter Sullivan – Global Spectrum
Dan Streyle
Andrew Spillman – Eide Bailey

Melissa Wasson – Global Spectrum
John Drum – Arizona Cardinals
Sarah Wyatt – Eide Bailey

1. Call to Order - A public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Finance Committee (the "Committee") was held at the offices of Arizona Sports & Tourism Authority, 1 Cardinals Drive, Glendale, Arizona, 85305. A quorum being present and the meeting having been duly noticed, Committee Chair Galloway called the meeting to order at 12:13 PM.
2. Consideration of Minutes from the June 18, 2013 Committee Meeting – Chair Galloway called for a motion to approve the minutes of the meeting of the Committee held June 18, 2013 **attached hereto as Exhibit A**. Upon motion duly made by Member Baier and seconded by Member Henry the minutes were unanimously approved.
3. Presentation of 2013 Audited Financial Statements by Eide Baily, LLP – Chair Galloway introduced Andrew Spillman and Sarah Wyatt of Eide Bailey to present the 2013 Audited Financial Statements **attached hereto as Exhibit B, C & D**. Mr. Spillman reported the letters shared with the board as well as the financial report are required communications to the Board.

The audit is a clean audit. There were no significant findings; there was one audit adjustment recommended which was made. There were no disagreements with management. The second letter deals with internal controls. Attention is drawn to the preparation of financial statements which the Authority has hired Eide Bailey to perform. There was an audit adjustment as mentioned in the first letter and the third item is segregation of duties which is difficult to perform due to the small staff; however having a board mitigates the risk associated with this as the financial statements are reviewed by the Board of directors.

CFO Kevin Daniels shared that once again, AZSTA received its 14th consecutive unqualified opinion.

4. Fitch Ratings Bond Rating Affirmation - CFO Daniels reported to the Board that a meeting was held with Fitch to review AZSTA's bond rating. Fitch published the rating attached hereto as Exhibit E. CFO Daniels indicated that the high rating is very good news for AZSTA. **Attached hereto as Exhibit E.**
5. Review of AZSTA's Second Quarter Financials - CFO Daniels presented and reviewed with the Board the second quarter financials **attached hereto as Exhibit F.**
6. Ongoing Discussion with the Arizona Department of Revenue – Mr. Sadler reviewed with the Board discussions that have been ongoing with the Arizona Department of Revenue regarding declining tourism revenues received by AZSTA. Mr. Sadler distributed a chart of revenue comparisons showing the decline **attached hereto as Exhibit G.** Upon discussion with the Board, the recommendation was for Mr. Sadler and Jaime Molera to schedule an in-person meeting with the Director of the Department of Revenue to discuss the concerns in the near future.
7. Update on Stadium Scoreboard Upgrade – Chair Galloway recommended that this agenda item be covered in the Board meeting directly following this Finance Committee meeting.
8. Announcement of Future Meeting Dates - No meetings are scheduled at this time
9. Adjournment There being no further business of the committee, Chair Galloway requested a motion to adjourn the meeting. Member Harwood moved for adjournment, which was seconded by Member Henry whereupon the meeting was adjourned